

STRATEGIC GOAL 4: MANAGE RESOURCES TO IMPROVE PERFORMANCE

RATIONALE

ACF is committed to being a customer-focused, citizen-centered organization as it provides assistance to America's most vulnerable populations. ACF has reached a critical point in its ability to manage a wide array of discretionary and mandatory programs. It is essential that the organization continue to manage resources to improve performance, provide high quality, cost-effective and efficient services, meet customers' needs and expectations, and use state-of-the-art information technology to improve management and data systems.

The FY 2004 budget request for Federal Administration is \$181.0 million, a net increase of \$7.7 million from the FY 2003 budget. This funding level supports 1,455 FTE, 40 FTE below the level requested in the FY 2003 President's Budget.

ACF continues to use strategic management of human and real capital to accomplish the President's management priorities, such as identifying activities and services that could more efficiently be achieved using outsourcing services; targeting improvements in the financial management performance arena, including reduction of erroneous payments and participation in the Department's unified systems integration project; and directing resources to better manage our e-government activities and expand the e-government services we provide to our clients.

As part of a government-wide effort to strengthen the focus on erroneous payments in programs funded by the Federal Government, the ACF federal administration budget includes \$5 million to be targeted to our efforts in identifying and reducing erroneous payments. Three programs will be the focus of our efforts in FY 2004 – Temporary Assistance for Needy Families, Foster Care, and Head Start.

The President initiated five government-wide reforms in FY 2001 to improve the management of the Federal Government. As part of the President's Management Agenda, ACF is working closely with HHS to implement the following reforms:

- **Strategic Management of Human Capital:** De-layering management levels to streamline organizations and reshaping organizations to meet a standard of excellence.
- **Competitive Sourcing:** Making greater use of performance-based contracts; expanding A-76 competitions and more accurate FAIR Act inventories.
- **Improved Financial Performance:** Achieving "clean" audit opinions throughout government and providing more accurate and timely financial information to secure the best performance and highest measure of accountability.
- **Expanded Electronic Government:** Expanding electronic Government applications and other E-Government services.
- **Budget and Performance Integration:** Making Government results-oriented – guided not by process but by performance. (The discussion of ACF's budget-performance integration is in Part I).

These four objectives guide ACF's implementation of the President's Management Agenda:

8. *Develop and retain a highly skilled, strongly motivated staff*

9. *Streamline ACF organizational layers*

10. *Improve automated data and management systems*

11. *Ensure financial management accountability*

Strategic Management of Human Capital: During the last several years, ACF has included activities in the annual performance plan that address human capital issues. ACF's goal is to achieve a higher standard of excellence through increased emphasis on training staff and by streamlining ACF organizational layers. To implement a more efficient organization that is responsive to the needs of the public, ACF will continue to:

- Reduce the number of reporting layers,
- Decrease the supervisor-to-staff ratio,
- Increase the number of staff in direct service positions through redeployment, and
- Eliminate duplication of services.

ACF's objective to "develop and retain a highly skilled, strongly motivated staff" (Objective 8) has been tracked since FY 2000. In FY 2003, ACF reinstated a FY 1999-2000 measure "to decrease the manager to staff ratio" and added the objective "Streamline ACF organizational layers" (Objective 9).

Other initiatives include using the results of work force planning to realign and/or integrate like programmatic/functional responsibilities. Examples of the consolidated and realigned functions include realigning major research functions into the Office of Planning, Research and Evaluation (OPRE), Tribal TANF from the Office of Community Services (OCS) to the Office of Family Assistance (OFA), and TANF programs and fiscal data collections from OPRE and the Office of Administration to OFA; examining the impact of ACF's regional-headquarters reporting relationships on the efficiency and effectiveness of program operations and service delivery to customers; and increasing internal capacity and contracting services from the private sector. In addition, ACF will develop a succession planning strategy to address dwindling resources and the fact that more than 75 percent of the ACF work force will be eligible for retirement in FY 2006.

Competitive Sourcing: ACF contracts out several major activities to private vendors and the Program Support Center (PSC) within HHS: information technology (IT) help desk support; human resources services (personnel, employee relations, employee assistance and select EEO activities such as investigations, counseling, court reporting services); administrative services (records management, personal property management, mail, transportation, incidental labor, management of employee transit benefits and space management); acquisitions management

(procurements, travel card and purchase card programs); and financial services (in some ACF components, aspects of the grants process, including intake and review of applications).

In order to meet the five percent goal of expanding A-76 competitions set forth by OMB for FY 2002, ACF will continue outsourcing these functions. ACF is also contracting out a significant portion of its administrative support needs eliminating the need to hire the projected 16 FTEs to perform these duties. In addition, ACF is relying heavily on contractor support to accomplish its programmatic responsibilities in FY 2002.

ACF plans to further evaluate its current staffing inventory and for FY 2003, ACF has identified 34 full-time equivalents it plans to directly convert or study for possible outsourcing in the following functional areas: audit resolution, grant closeouts, personnel security clearances, telecommunications, facilities management and additional administrative support. ACF has aligned its competitive sourcing plan with ACF's workforce restructuring plan.

In FY 2004, ACF plans to continue the contractor support that is currently being provided in the areas mentioned above. In addition, ACF will directly convert or study additional functions in the areas of administrative support services, customer services, telecommunications and information technology. ACF will continue to review its inventory for possible outsourcing opportunities.

Improved Financial Performance: ACF added a new objective to measure its efforts to achieve this Presidential management reform – Ensure financial management accountability (Objective 11). Federal agencies' financial statements are audited to reassure the public that those statements fairly and accurately represent the agency's financial condition. A "clean" and timely audit opinion on these statements is essential if decision-makers within the agency and at OMB and Congress are to use this information.

ACF received a "clean" or unqualified opinion from the auditors for FY 1999-2001—a major accomplishment that contributed significantly to the Department's clean audit opinion. Nevertheless, this is only one step, albeit a significant one, toward financial accountability to the public. Although ACF has achieved a clean opinion for three years, improvements to its accounting systems and services are still needed, especially with OMB-required compressed deadlines beginning with the FY 2002 audit cycle. The Reports Consolidation Act of 2000 requires that the Department's FY 2002 audit cycle be completed and its Accountability Report be submitted by February 1, 2003, approximately one month earlier than has been required in previous years.

In order to accomplish this successfully in FY 2002, the Department imposed earlier milestones on its OPDIVs as a pilot for the FY 2001 audit cycle. Over the past year, Departmental financial and accounting officials, the OPDIVs and the auditors have been collaborating on ways to achieve the compressed schedules. Because FY 2001 final performance measurement data were not available until the second or third quarter following the end of the fiscal year, ACF provided FY 2000 data in the FY 2001 audit report. Similarly, ACF will provide FY 2001 data (where available) for the FY 2002 audit report.

ACF has developed an Analytical Review policy that requires a more detailed level of supporting documentation be provided by the Program Support Center (PSC). ACF has communicated this policy to the PSC and has confirmed that the PSC will make its best effort to provide the necessary reports in a timely manner. This is one of several critical elements required for a clean audit opinion. The CFO has alerted ACF Principals that appropriate managers must be available during critical periods in the FY 2002 audit cycle to provide any needed input and clearance of information.

For FY 2004, the audit cycle must be completed by November, more than two months earlier than previous years. ACF is working closely with the Department to meet these increasingly shortened audit deadlines. While ACF is committed to achieving future clean opinions, the abbreviated cycles are creating major resource challenges. To help expand our accounting expertise and support our immediate audit activity needs, ACF recently hired a new accountant.

ACF is working to improve the linkage of financial management systems and data to program performance and results and provide more accurate and timely data to financial/program managers for informed decision-making. ACF continues to play a significant role in the Department's Unified Financial Management System (UFMS) initiative by providing staff resources (via details of staff as well as representation on the UFMS Steering Committee, UFMS Planning and Development Committee and the UFMS Policy Workgroups). ACF will provide the additional funds requested by the Department for full implementation of the UFMS.

The purpose of the UFMS is to achieve economies of scale, eliminate duplication, foster consistency in preparation of HHS financial data and streamline business processes to increase operational efficiencies. ACF anticipates that the UFMS will help ACF access the type of data needed to help managers determine which resources have the greatest positive impact on its client populations. OMB requirements for future quarterly financial statements, accelerated end-of-year reporting, comparative financial reporting, and reports that integrate financial and performance information will provide better financial accountability throughout the Federal Government and to the public.

ACF has completed and submitted to the Department three reports describing the agency's efforts to identify and reduce erroneous payments in the Temporary Assistance for Needy Families (TANF), Head Start (HS), and Foster Care programs. Consistent with ACF's Erroneous Payments Plan—developed in collaboration with officials in the Department, OMB, and specific Program Administrations—ACF embarked on a focused review on single audits (reports) conducted of FY 2001 State-administered TANF and Foster Care programs, and HS grantees, where erroneous payments could be an issue. The three reports highlight the findings of these reviews, as well as the mechanisms the Department and ACF currently have in place to identify, reduce and correct erroneous payments under these and other programs. These include the Single Audit process, reviews of financial data, on-site reviews, OIG reports, and regulations for specific programs. ACF's Erroneous Payments Initiative and existing activities support the Administration's Improving Financial Management Reform Initiative. A Child Care review and report are to be completed by the second quarter of FY 2003.

ACF has undertaken a new initiative to establish a Funds Planning Module that will allow grants and program management staff to forecast (plan) and administer Federal funds through a comprehensive system. This module will permit the planning and tracking of ACF program and S&E funds over several different categories, provide for comprehensive on-demand reporting, and will give managers a useful tool for estimating their fiscal year funding needs and adjusting these over time. It will permit meaningful comparisons of funding plans to actual obligations and add another tool for program managers to assess program performance.

Expanded Electronic Government: The objective to improve Automated Data and Management Systems responds directly to this Presidential management reform (objective 10). ACF has developed unique software to provide a common solution for building its Internet applications. The first use of this software will be to capture, validate and store all information now submitted by grantees or potential grantees using government forms for the Grants Administration Tracking and Evaluation System. This information includes grant applications, funding requests and performance reports. The enhanced process significantly reduces the data-entry burden on ACF grants staff and grantees, expedites the receipt and processing of grants and makes timely up-to-date grant information available for ACF decision-making.

Other ACF applications will employ this software to Internet-enable other program applications, such as the Publications, Requestors and Orders Management Information System (PROMIS), supporting the ACF minority outreach program as well as internal administrative requirements in both the central and regional offices. Additional internal administrative systems will be Internet-enabled. This software ensures that ACF will be able to meet the October 2003 target date of the Government Paperwork Elimination Act. This legislation requires agencies to provide for the optional use and acceptance of electronic documents and signatures, and electronic record-keeping where practicable.

ACF has a major initiative under way for better managing e-government activities. Currently, ACF is upgrading its infrastructure and business practices and is making e-government an integral part of the business processes. Training of ACF staff in efficient and effective use of the Internet and Internet-based applications is being conducted. ACF has more than 100,000 web pages receiving thousands of hits daily from the public. ACF intends to use the Internet more effectively to make its processes more citizen-centered.

ACF is participating with the Department to establish an Enterprise Architecture to bring IT and Business objectives together for reengineering business practices and creating more efficient and effective technology solutions to better serve citizens.

Faith-based and Community Initiative

The Compassion Capital Fund, a key part of the President's Faith-Based and Community Initiative, was established to provide funds targeted to assist small, grassroots faith-based and community organizations. In FY 2002, ACF awarded nearly \$25 million to 21 intermediary organizations that will help smaller faith-based and grassroots organizations operate and manage their programs more effectively, access funding from varied sources, develop and train staff,

expand the types and reach of social service programs in their communities, and replicate promising programs.

In addition to providing technical assistance, these intermediary groups will issue sub-awards directly to targeted faith- and community-based organizations to expand or replicate promising or best practices. Priority for sub-awards is expected to be given to organizations that focus on homelessness, hunger, at-risk children, transition from welfare to work, and those in need of intensive rehabilitation such as addicts or prisoners. To encourage organizations to work in partnership with the federal government, intermediary organizations were expected to provide at least 50 percent of the amount of federal funds requested (i.e., one-third of the proposed total budget).

Approximately \$2 million was awarded to establish the Compassion Capital Fund National Resource Center. The National Resource Center will work directly with the intermediary organizations to ensure that faith- and community-based organizations receive effective and appropriate technical assistance, and it will develop a comprehensive plan to oversee and coordinate the work of intermediary organizations that receive Federal funding. In addition, the National Resource Center will develop and maintain a clearinghouse and Web site that provide a wide array of information useful to intermediary organizations and faith-based and community organizations, such as "best practices" on meeting the needs of individuals and families, and information on program outcomes and effectiveness. It will also develop manuals on specific topics that will assist intermediary organizations and the faith-based and community organizations they serve.

Approximately \$1.6 million was awarded to support research on the services and best practices of intermediary organizations and the faith-based and community organizations they serve. Approximately \$1 million was awarded to four organizations to support short-term research projects that will contribute to the knowledge base regarding roles and promising approaches by diverse types of faith- and community-based organizations.

As part of the faith- and community-based management improvement initiative, ACF initially proposed tracking the number of applications received in FY 2002, increasing outreach efforts, assessing the quality of applications and providing a technical assistance plan for four discretionary grant programs in four program activity areas: Urban and Rural Community Economic Development, Assets for Independence, Adoption Opportunities and Runaway and Homeless Youth Programs. At that time, because ACF was unable to track increases in applications received from these organizations, ACF proposed creating a baseline indicating the percent of grants approved in FY 2001 for faith- and community-based organizations (FBOs and CBOs) in four selected program areas.

PERFORMANCE MEASURE FOR FY 2001

Developmental Input Indicator	Programs	FY 2001 (baseline)
The percentage of faith- and community-based organizations funded by selected discretionary grant programs.	Urban/Rural Com. Econ. Dev.	100% *
	Assets for Independence	90% **
	Adoption Opportunities	50% ***
	Runaway and Homeless Youth Programs	100% ****

*Legislation requires that all grantees must be Community Development Corporations (CDCs).

**Eight of the 81 grantees are county or city governments; the remainder are CBOs and FBOs.

***Of the 67 grantees, 33 are faith-and community based, 32 are State, city and county grantees and 2 are university grantees.

****All 634 grantees are faith-and community based.

Since FBOs and CBOs are currently the primary recipients (between 90 percent and 100 percent) of discretionary grant funds in three of the four selected areas, ACF determined this was not a meaningful measure for improving performance. However, a voluntary survey instrument that would be an addendum to the standard grant application forms and would provide additional information about applicant organizations has been developed and is under review at OMB. If approved by OMB and used by ACF, this instrument, the *Survey on Ensuring Equal Opportunity for Applicants*, will allow ACF to obtain substantially more specific information about the types of organizations seeking funding, including whether or not the applicant is a faith-based/religious organization, the size of the organization, whether the organization has received other government funding.

PROGRAM DESCRIPTION AND CONTEXT

ACF has endeavored to embrace the principles of GPRA by reinventing the way it does business through partnership building, strategic planning, measurable outcomes, customer focus, streamlining of operations and devotion to quality. ACF's goal of managing resources to improve performance has brought about changes in its internal management. Efforts in recent years include:


- Promoting fiscal integrity and financial management accountability by establishing strong, collegial, cooperative relationships among program and/or staff managers and employees in ACF, the Program Support Center, the Office of the Assistant Secretary for Budget, Technology, and Finance, Office of the General Counsel, Office of Inspector General, and the audit firm of Clifton Gunderson LLP in order to identify systems or procedural problems and establish and implement corrective actions as quickly as possible;
- Reengineering the grants management business process to improve service to partners and achieve greater efficiency;
- Surveying partners and customers for assessment and guidance on the quality and appropriateness of ACF's services;

- Partnering with other Federal Agencies to support the Government-wide Federal Commons project where potential grantees will be able to apply for grant funds through a single portal on the Internet in the future; and
- Establishing a presence on the World Wide Web;
- Investing in internal systems improvement and technology so that current and potential ACF grantees can apply for grant funds over the Internet through On-line Data Collection;
- Participating in the Department's response to the President's Management Agenda (PMA) to improve the management and performance of government, and establishing an internal reporting mechanism to discuss and share ACF's status on the PMA initiatives;
- Developing an ACF Work force Restructuring Plan based on the goals of the PMA and in support of the Department's management initiatives;
- Establishing performance contracts between the Assistant Secretary and ACF senior staff that include GPRA goals and the Department's response to the PMA, as well as the Assistant Secretary's priorities for the agency;
- Participating in the Work force Planning Project work group (part of a larger HHS effort), which identified cross-cutting work processes with needed core and technical competencies for the next three to five years and provided recommendations for future training and expansion of staff based on a competency assessment of the ACF work force;
- Reinventing the regional office structure to locate resources where partners most need them;
- Developing and implementing diversity and minority initiatives that allow for alignment of the work force with the goals and priorities and help ACF achieve its diversity objectives that reflect all groups including the most under-represented populations;
- Establishing a successful labor-management cooperative agreement with the National Treasury Employees Union (which represents the bargaining unit);
- Investing in technology such as videoconferencing equipment and satellite linkages to bring central office, regional offices and partners closer together and to save on travel costs; and
- Developing an agency strategy to enhance the skills and productivity of the ACF work force through a range of learning options, including on-line e-learning, blended learning (classroom plus e-learning), and other available staff development opportunities.

8. DEVELOP AND RETAIN A HIGHLY SKILLED, STRONGLY MOTIVATED STAFF

Approach for the Strategic Objective: Change the way ACF does business by maintaining or increasing values such as effectiveness, efficiency, and diversity while promoting continuous learning opportunities.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
8.1a.1. Each ACF staff member participates in at least one developmental learning opportunity to enhance his/her skills and productivity.	FY 04: 80% FY 03: 80%	FY 04: FY 03: 7/03 FY 02: 100% Baseline	Px 162 
8.1a.2. Each ACF staff member participates in at least one Distance Learning or other training opportunity directly related to increasing his/her job skills. (Replaced by 8.1a.1)	FY 02: 100% FY 01: 100% FY 00: NA	FY 02: 7/03 FY 01: 96%	
Total Funding (dollars in millions) See detailed Budget Linkage Table in Part I for line items included in funding totals.	FY 04: \$176.3 FY 03: \$173.3 FY 02: \$173.0 FY 01: \$173.2 FY 00: \$147.8 FY 99: \$144.5	Bx: budget just. section Px: page # performance plan	

PROGRAM DESCRIPTION AND CONTEXT

ACF's objective to "develop and retain a highly skilled, strongly motivated staff" has been tracked since FY 2000. For many years, ACF has confronted shrinking staff levels, resources and a loss of knowledge and skills due to attrition and separations. These combined challenges, within an agency with a work force three-quarters of which are eligible to retire by 2006, focused ACF efforts to continue to develop a highly skilled, diversified staff to carry out its mission in the twenty-first century. To address these issues, ACF is building upon a culture of continuous learning and developing an agency training strategy that provides training and developmental learning opportunities to enhance skills and productivity. ACF is addressing the needs of the existing staff and new hires by offering developmental opportunities to support restructuring and redeployment of staff in mission-critical positions, while supporting a diversity and minority initiative to ensure that ACF's work force reflects all groups, including the most under-represented populations. ACF's aim is to build, sustain, and effectively deploy a skilled, knowledgeable, diverse, high-performing, technologically advanced work force to meet the current and emerging needs of the government and the public.

PROGRAM PERFORMANCE ANALYSIS

ACF has been a leader in providing a rich curriculum of on-line learning to all staff, including over 1300 vendor-provided courses, as well as ACF-developed on-line courses such as security awareness training provided to all staff and on-site contractors in FY 2001-2002. In FY 2002, ACF began a much more focused blended learning approach to enhance the skills and productivity of all ACF staff and on-site contractors by integrating on-line learning with classroom training for a new e-mail system and personal productivity tools.

E-learning is just one component, albeit a very important tool, of a blended learning approach. ACF is now moving its focus from emphasizing the e-learning tool to assuring that the learning strategies are appropriate to the individual learner, and to ensuring that individual and organizational learning are in alignment with the agency's business goals. By linking business needs to performance strategies, enhancing individual and organizational productivity, and developing a culture for organizational learning and continuous learning, ACF will leverage limited resources to enhance job competencies. What ACF has learned over the last two years is that it is not primarily about e-learning: it's about improving people performance, which leads directly to better business results. The success of ACF's strategic goal "to develop and retain a highly skilled, strongly motivated staff" rests on enhancing the skills of every ACF staff member through all avenues available from traditional to leading edge—whether that means creating a learning organization, effecting organizational change, developing the work force, or helping to build the HHS corporate university.

Examples of strategies that have proven most successful in developing and retaining a highly skilled, strongly motivated staff include:

- Implementing the *Balanced Scorecard* to expand its performance measurement system to include *customer service* feedback and *employee satisfaction*, as well as its program measurement system focused on results; and
- Initiating in FY 2001 on-line Distance Learning through FasTrac (a learning consortium at the National Security Agency) to strengthen and significantly expand learning opportunities that address the professional development needs of ACF staff in a changing workplace.
- Providing access to all ACF Federal employees to more than 1300 technical and non-technical training courses and to a rich variety of in-house skills-enhancement and other staff development and learning opportunities. All employees were provided training in the agency-wide migration to the new e-mail system—Microsoft Outlook 2000 and intensive computer security awareness training during FY 2002.

In addition, in response to concerns following the September 11 tragedy and subsequent anthrax scares, ACF arranged for an Army Colonel on the Secretary's Bio-Terrorism Task Force to speak to interested employees about the government's strategy regarding anthrax prevention. ACF also established a new in-house Security Officer position to address employee and facility security issues.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

PROGRAM GOAL: Develop and retain a highly skilled, strongly motivated staff

8.1a. FY 2003: *Each ACF staff member participates in at least one developmental learning opportunity to enhance his/her skills and productivity.*

FY 2004: *Each ACF staff member participates in at least one developmental learning opportunity to enhance skills and productivity.*


Data Source: ACF Administrative Records

ACF staff will be encouraged to avail themselves of at least one training opportunity although it will not be required. Because it is voluntary, ACF projects an 80 percent target for this activity.

9. STREAMLINE ACF ORGANIZATIONAL LAYERS

Approach for the Strategic Objective: Implement restructuring plan to reduce bureaucratic levels, maintaining or increasing values such as effectiveness, efficiency and diversity while reducing the number of managers to assure that ACF is more responsive to its customers and citizens.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
9.1a. Decrease ACF's manager-to-staff ratio (replaces former FY 00 measure 9.1a)	FY 04: TBD FY 03: TBD	FY 04: FY 03: FY 02: (baseline)	Px 163 

PROGRAM DESCRIPTION AND CONTEXT

While ACF has undertaken several methods to ensure steady progress toward this goal, including reorganizations, elimination of duplicative units, consolidations, employee reassignments and creative use of technology, progress towards this goal has been limited. Main factors include personnel attrition, a limited administrative budget and limitations on outside hiring. As part of its succession planning activities, ACF intends to use the Presidential Management Intern and HHS Career Intern programs, as well as other targeted recruitment, to hire new government workers to fill mission-critical positions. This strategy should assist ACF in meeting its goal of decreasing the manager-to-staff ratio, thereby reducing the number of managers and the time

required for decision-making. FY 2002 will provide a baseline for this FY 2003 performance measure and realistic targets will be based on the Work force Restructuring Plan.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

9.1a. FY 2003: Decrease ACF's manager to staff ratio.



FY 2004: Decrease ACF's manager to staff ratio.

Data Source: ACF Personnel Records

10. IMPROVE AUTOMATED DATA AND MANAGEMENT SYSTEMS

Approach for the Strategic Objective: Continue to invest in systems improvement and technology to allow greater access for ACF staff to move forward in a working environment which increasingly requires that all employees have access to and use of the Internet as an integral part of day-to-day agency operations. With continued investments in upgrading hardware and software, ACF will assure that staff have access to information and technology and run the applications that are critical to performing their jobs in an Internet-oriented age.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
10.1a.1 Implement a funds planning capability to manage and track all grant funds and planning mechanization. (New)	FY 04: Complete Phases 1, 2 and 3	FY 04:	Px 165 
10.1a.2 Operate and maintain the On-line Data Collection system (OLDC), which will capture and validate grant information submitted by grantees using the Web.	FY 03: OLDC	FY 03:	Px 165 
10.1a.3 Develop and implement OLDC, to capture and validate grant information submitted by grantees using the Web.	FY 02: OLDC FY 01: GATES II	FY 02: Alpha version completed. Beta version to be tested and implemented in March 2003. FY 01: Completed	

PROGRAM DESCRIPTION AND CONTEXT

Historically, ACF processed grants using more than 30 separate computer programs (application systems). In 1993, ACF initiated a re-engineering of its business processes, challenging the purpose, principles and assumptions of ACF's grant processes and abandoning the outdated grant-making and management procedures and separate rules for various categories of grants. In July 1994, the ACF Grants Re-engineering Team published its report. The report recommended an organizational restructuring of the way ACF does business, establishing a quality assurance framework and supporting re-engineered grants administration activities with a major redesign of the automated information systems.

A systems re-engineering team began developing an integrated system, the Grants Administration, Tracking and Evaluation System (GATES), designed to support decision-making and accountability in a decentralized environment. This project targeted the replacement of more than 30 incompatible, outmoded legacy systems operating on a variety of platforms supporting grants administration. This re-engineered GATES, a comprehensive system for electronic processing, benefited grantees by providing more timely and efficient grants processing, more accurate data, less down time and quicker start-up.

PROGRAM PERFORMANCE ANALYSIS

In FY 1996 and FY 1997, ACF completed developing and implementing GATES system functions supporting application, evaluation, award and funds control activities for Discretionary Grants made to non-profit and Native American organizations. In FY 1998, 22 legacy systems were replaced. The FY 1999 target was to replace 15 additional legacy systems. The deployment of the Entitlements portion of GATES in June 1999 completed the replacement of the additional 15 systems. Now 100 percent of the active ACF grants are being processed electronically in GATES. Replacement of these legacy systems with GATES also corrected the Year 2000 programming flaw embedded in them. All Y2K system replacements were completed by December 31, 1998.

ACF completed the full functionality planned for GATES. The Audit resolution tracking process (measure 10.1c) was implemented in GATES and the old system shut down in August of 2000. ACF adopted the Crystal Report Writing software that allows the user community to retrieve information in GATES efficiently and quickly. Both standard and ad hoc reporting retrieval is possible. Crystal Report writer licenses have been distributed and training conducted throughout the ACF grant and program offices. Additionally, OIS has set up a Crystal Report support system to assist users with the development and usage of the standards and ad hoc GATES reports. This was implemented in June 2000. Enhancements for tying in to the Bureau of Census' Federal Clearinghouse, as well as debt collection capabilities, were scheduled in the 2001 module.

GATES schedules were developed jointly with each Program Office and Region affected through Joint Application Development (JAD) meetings with crosscutting representation in small face-to-face meetings and telephone conferences. The formula/block award modules were implemented on schedule. This completes the legacy conversion/replacement efforts. Now, all grants are awarded through GATES. ACF is developing a funds planning component in GATES

to enable management to effectively plan, monitor and manage grant expenditures. ACF anticipates that the Phase 1 component will be operational by the end of FY 2003.

ACF is implementing the next generation of electronic grant-making using an "On-line Data Collection (OLDC) Initiative" to enable grantees and potential grantees to submit the required information over the Internet. Plans have been presented to the Information Technology Review Board (ITRB) consistent with the new Government Paperwork Elimination Act.

Synchronization of the databases between OLDC and GATES is proving to be difficult and is requiring extensive testing efforts. Additionally, the GATES software had to be upgraded to be W2K compliant.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

PROGRAM GOAL: Benefit grantees by improving automated data and management systems.

10.1a2 ***FY 2003: Complete and maintain OLDC, which will capture and validate grant information submitted by grantees using the Web.***


10.1a1 ***FY 2004: Implement a funds planning capability to manage and track all grant funds and planning mechanization. (new)***

Data Source: ACF Administrative records

11. ENSURE FINANCIAL MANAGEMENT ACCOUNTABILITY

Approach for the Strategic Objective: Improve financial and budgetary functions by adopting a more results-oriented, businesslike approach to management and oversight of its fiscal resources.

Summary Table

Performance Measures	Targets	Actual Performance	Reference (page # in printed document)
11.1a. Obtain a clean audit opinion for ACF.	FY 04: Clean opinion FY 03: Clean opinion FY 02: Clean opinion	FY 04: FY 03: FY 02: 6/03 FY 01: Clean Opinion FY 00: Clean opinion FY 99: Clean opinion	Px 166 

PROGRAM DESCRIPTION AND CONTEXT

ACF first submitted its annual audited financial statements in FY 1996 as a result of the Department's strategy for implementing requirements under the Chief Financial Officers' Act of 1990, as amended by the Government Management Reform Act (GMRA) of 1994. Under the HHS plan, ACF was designated as an individual reporting component requiring an annual financial statements audit of its activities. ACF and other OPDIV annual audited financial statements are "rolled up" and the HHS audited financial statements package is presented in the annual Accountability Report consolidating several financial management reports with selective performance measurement information.

PROGRAM PERFORMANCE ANALYSIS

ACF works closely with the Program Support Center (PSC), the accounting firm that develops the ACF financial statements, the Assistant Secretary for Budget, Technology and Finance (ASBTF), Office of Inspector General, Office of General Counsel, and the private audit firm of Clifton Gunderson, LLP, to complete the annual financial statements audit. The President's Management Agenda states that by the FY 2002 audit cycle all 24 cabinet level departments will pass their audits. ACF received a "clean" or unqualified opinion from the auditors for FY 1999-2001 and continues to work aggressively to maintain this accomplishment. In FY 2001, ACF achieved the clean opinion without any material weaknesses. ACF, the Department, and ACF's auditors are dedicated to improving the accounting systems and services that support the development of ACF's audited financial statements. This collaboration is essential for ACF to meet the compressed deadlines for the FY 2002 and future audit cycles. ACF will continue to work closely with its partners to correct remaining problems identified by the auditors.

Performance Plan

Performance Measures for FY 2004 and Final Measures for FY 2003

11.1a. FY 2003: Obtain a clean audit opinion for ACF.

FY 2004: Obtain a clean audit opinion for ACF.

Data Source: Clifton Gunderson, LLP, Independent Auditor's Report